

The Role of Mobile and Video In the Apparel Shopper Digital Path to Purchase

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Google[®] Compete

Methodology

- Better understand how digital drives apparel research and purchases
- Compete conducted an online survey using panelists who researched or shopped for apparel online within the past 6 months. Surveys were fielded between May 1st through May 25th 2012 (n=1,321)
- Clickstream purchase analysis was run for Q2 and Q3 2011 (aggregated)
- See appendix for brands included in the analysis



We **tracked** consumers online shopping activity to understand shopping and searching patterns.



We analyzed the behavior of apparel

purchasers tracking their behavior backward from the point of purchase.



Surveyed apparel shoppers to understand their shopping behavior.

Executive summary

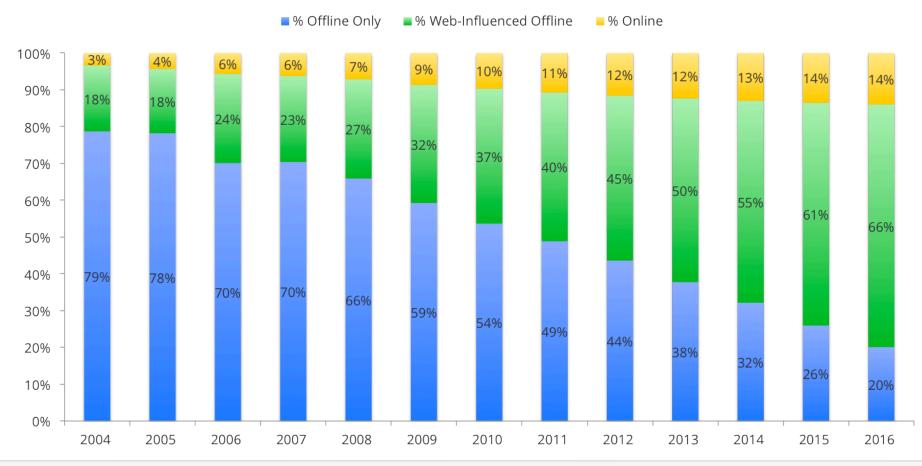
Digital is core to apparel shopping and consumers are shopping across devices: More than half of apparel sales will be online influenced by end of 2012

- 2 Mobile devices aid discovery: Nearly half of mobile apparel shoppers discover new brands on mobile devices
- **3** Video drives apparel sales: 4 in 10 visited in store or retailer website as a result of watching apparel videos

Digital is core to apparel shopping



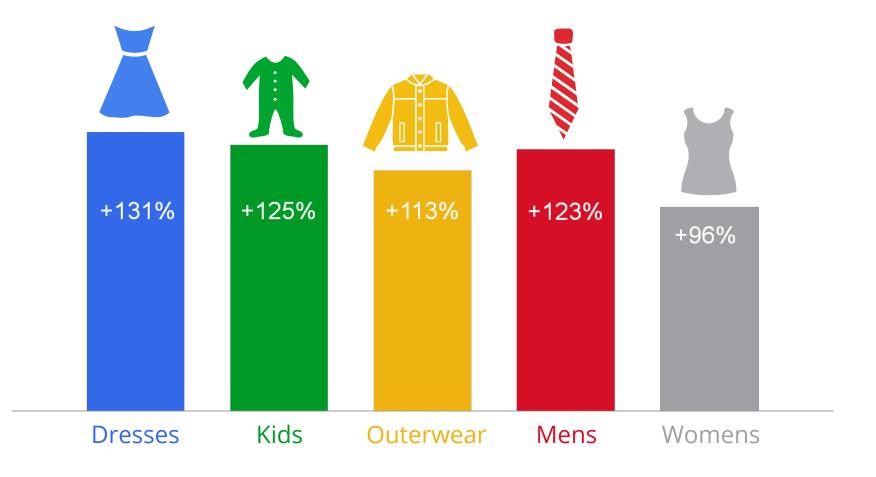
57% of Apparel Sales will be online influenced in 2012



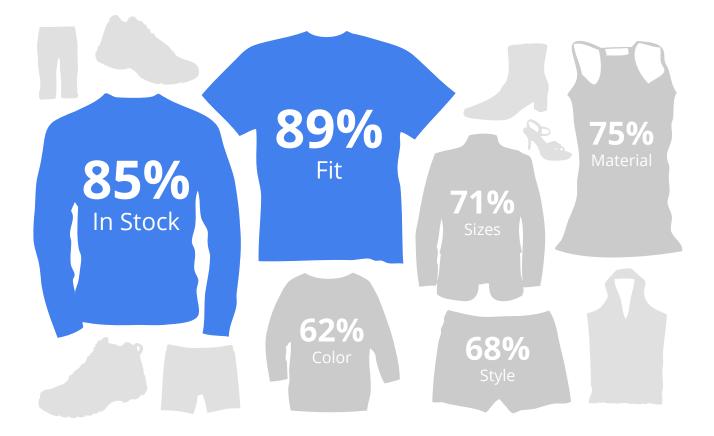
Apparel: Retail Sales Forecast

Source: Forrester Research Web-Influenced Retail Sales Forecast, 2011-2016 (US Only) and Forrester Research Online Retail Forecast, ForecastView, 2011-2016

All categories show positive growth but dresses shows the highest UV growth Y-o-Y



Apparel shoppers prioritize fit and availability over other features



Source: Compete Survey: Bl1 How important were each of the following features to you when shopping for apparel? Please select only one option per feature. Top 2 Box, n= 1,321,

Online purchasers are motivated by convenience, deals and inventory availability



50% Purchased online because it is convenient

46% Purchased on free shipping Purchased online because there was

40%

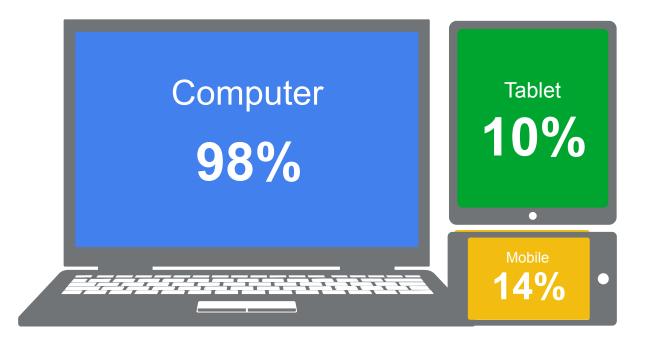
Purchase online for better prices – and **37%** purchased because of exclusive online deals

Purchase online for selection and **21% 39%** purchased online because it was the only place that carried the item they wanted



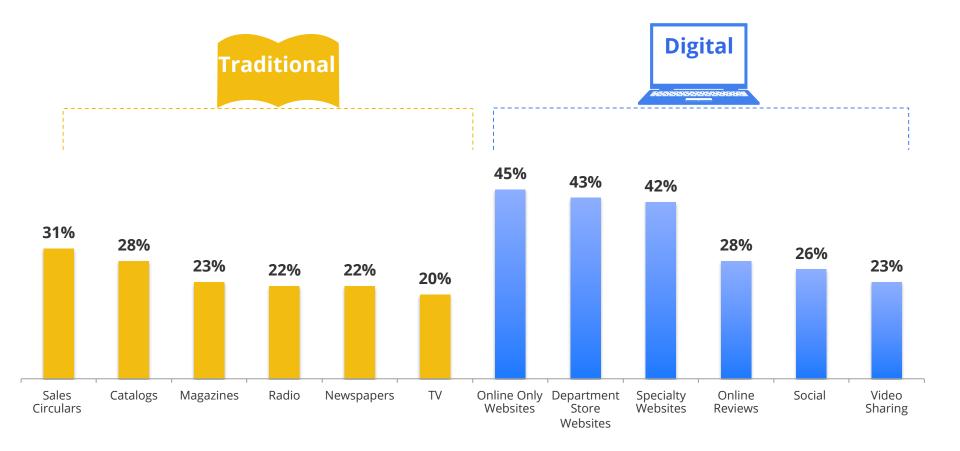
Apparel shoppers research across devices...

More than 1 in 5 apparel consumers are using their tablets or mobile devices on a **daily basis** for shopping



Source: Compete Survey RT2. Which of the following devices did you use to look for information about apparel on the Internet? n=838 RT4. How often did you use each of the following devices while shopping for apparel? Please select only one response per device n=818

Digital is used more throughout the research process



Source: Compete Survey: RT8. When did you use each of these sources to shop for apparel? Please select all responses that apply for each source. Throughout and End Selections Only, n=varies by source

Offline advertising fuels online research

Types of ads viewed

	TV	Newspaper	Magazines	Billboard
		NEWS		
< 24 Hours	30%	25%	19%	12%
< 1 Week	45%	58%	44%	64%
1+ Week	20%	16%	33%	23%

Roughly 3 in 4 consumers research online after seeing an offline ad

Source: Compete Survey: MI5. How soon after the last time you saw or heard each of the following types of apparel ads did you look up the advertiser online to get more information? n =varies by ad type

Apparel purchasers window shop online: Over **1 in 4** purchases are impulsive

Key purchase drivers for impulsive shoppers...



73% Received a good deal

19% Like to wear the latest fashions

19% Received free shipping

17% Had a gift card

13% Needed to meet a minimum free shipping requirement

Use deals, latest fashions and free-shipping as incentives to remarket to impulsive shoppers

Source: Compete Survey C4. Was this purchase an impulse purchase (an unplanned decision made just before purchasing)? Please select one answer only. n=1023 C5. Which of the following, if any, influenced you to make this impulse purchase? n=263

Lengthen attribution window to account for shoppers who research longer

32%	34%	15%	18%
< 1 Day	1 day to less than 1 week	1 to 2 weeks	2+ weeks

1 in 3 apparel shoppers took 1 to 2+ weeks to research

Source: Survey, O12. How much time passed from when you first started shopping online to when you actually purchased this apparel item? Please select one answer only. n=1023,

Key Takeaways

57% of Apparel Sales will be online influenced in 2012 : Incorporate digital into every marketing plan and remarket to impulsive shoppers

2 Key purchase drivers are replacing worn clothes & needing new items: Tailor creative messaging to increase likelihood of purchase and ensure consumers can find your brand

3 Consumers shop across devices and prioritize digital media for apparel research: Be where your customers are

4 Offline advertising fuels online research: Ensure digital campaigns align with offline

5 **1 in 3 apparel shoppers took 1 to 2+ weeks to research:** Lengthen attribution windows to account for shoppers who research longer

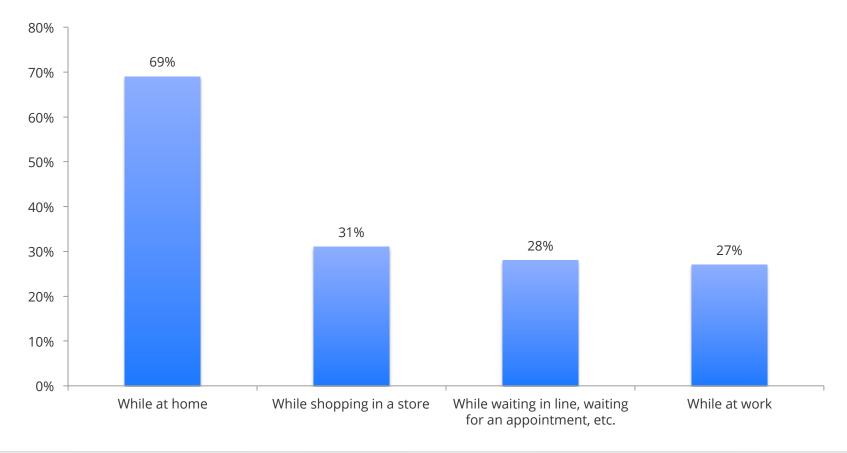


The Role of Mobile

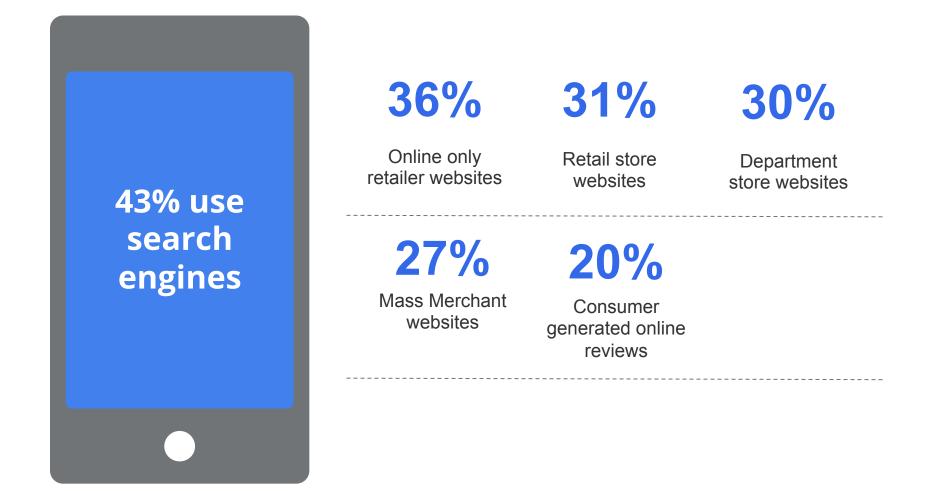


Mobile devices are constant shopping companions

Mobile Devices are used...



Apparel shoppers use mobile phones to shop



Source: Compete Survey: M1. Earlier you mentioned that you used online sources to research or shop for apparel. Which of the following online sources did you access on your mobile phone? n=161

Mobile Search key to brand discovery : 47% of apparel shoppers discover brands via mobile device search

Search on mobile devices helps consumers...



43%

31% Di

Discover brands they were unaware of

Compare prices across brands

25%

Contact a retailer

20% Compare product offerings

16%

Discover brands they were aware of but hadn't previously considered

Source: Compete Survey: M4. How did each of the following source(s) help you while you shopped for apparel on your mobile device(s) (e.g., mobile phone and/or tablet)? Please select all of the responses that apply for each source, Multiple Response. n=110

Mobile devices are shopping assistants

- **56%** Compare Prices
- **44%** Look for promotions or coupons
- 42% Read reviews
- **38%** Search inventory
- **16%** Scan a bar code while in store
- **13%** Contact a retailer, manufacturer or business other than by calling



Source: Compete Survey: M5. Which of the following did you do on your mobile device while researching or shopping for apparel? Multiple Response, n-127.

After researching on a mobile phone in a retail store, **26%** ultimately purchased





19% Made a mobile purchase after seeing the product in a store

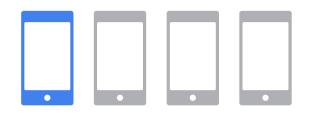
Made a mobile purchase without seeing the product in a store

/0/0

Source: Compete Survey. M7. Which of the following activities, if any, did you perform on these mobile devices while shopping for apparel? in a retail store? n= varies by question

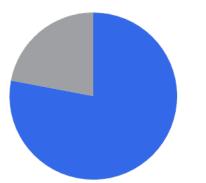


Mobile researchers purchase more often and spend more per average order



Over **1 in 4** of mobile researchers purchased apparel **more than 6+ times** in the past 6 months

Vs. 16% of non-mobile researchers



78% of mobile researchers spentmore than \$50 on their lastapparel purchase

Vs. 56% of non-mobile researchers

Source: Compete survey: SPEND1. Not including your most recent purchase, how many times in the past 6 months have you purchased apparel? Please select one answer only. Cut by mobile vs non-mobile. n=1023 SPEND2. Which of the following best describes the price range of the item you purchased? Cut by mobile vs non-mobile. n=1211

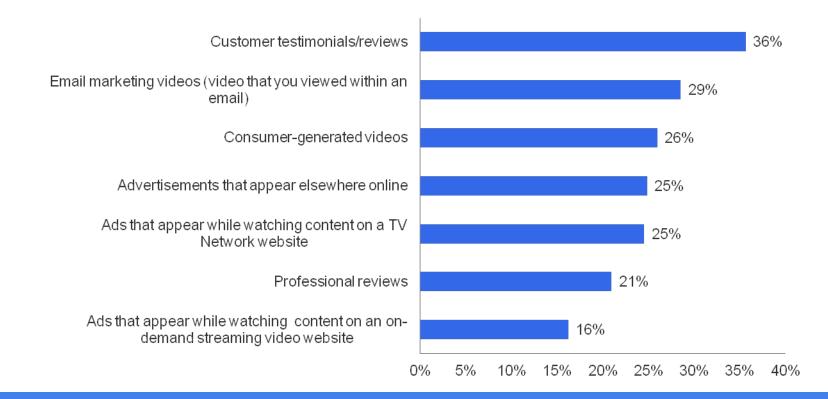
Key Takeaways:

- 1 Mobile devices are constant shopping companions : Incorporate mobile into all of your marketing plans
- 2 Mobile Search key to brand discovery: Use mobile to be discovered and build our brand
- Over 1 in 4 apparel shoppers purchase on a mobile phone after using phone to shop in store: Use mobile to reach consumers close to the point of purchase
- 4 Mobile researchers purchase more often and spend more per average order: Use mobile to reach valuable customers

Video influences the apparel shopper



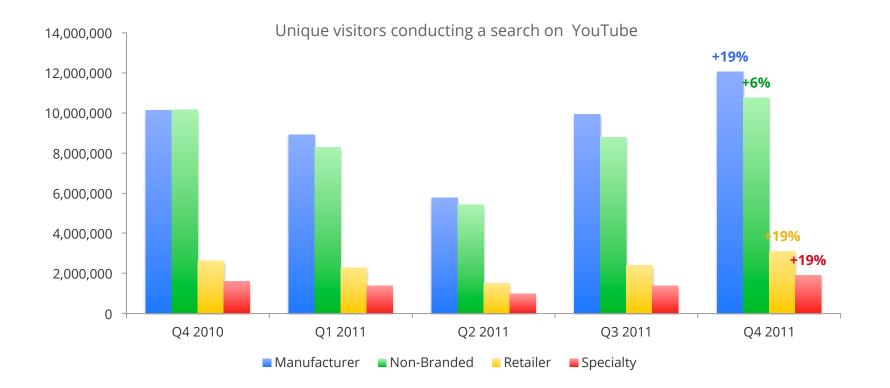
Apparel shoppers consume a wide variety of videos online during the research process



Reach video viewers via search: 1 in 5 videos are discovered via search

Source: Compete Survey **VI4**. Which of the following describe the type of videos you watched while shopping for apparel n=150, **VI5**. In general, how did you first hear about the videos you watched online? n=150 * Search is the highest resource used to discover video

Apparel shoppers search on YouTube



Promote videos on YouTube via manufacturer and category terms

Videos drive consumers to shop in store and online

Apparel Shoppers watch videos on...





37% Retailer Websites

4 in 10 visited in store or retailer website as a result of watching apparel videos

Source: Compete SurveyVI2. Which of the following websites did you visit to watch videos about apparel while shopping for apparel? n=150 VI7. As a result of watching videos about apparel online, which of the following actions, if any, did you perform? n=150

Video ads top traditional media in encouraging purchase decisions

Purchase likelihood is influenced by the following sources...





Source: Compete Survey: MI3. What role did each of the following advertisements play while you were shopping for apparel? "Encouraged me to purchase" Multiple Response n=varies by brand, (Cellphone removed due to low sample)

Video researchers are heavy purchasers & valuable

25% of video researchers **purchased more than 6+ time** on apparel in the past 6 months

only 16% of non-video researchers did

28% of video researchers **spent more than \$500** on apparel in the past 6 months

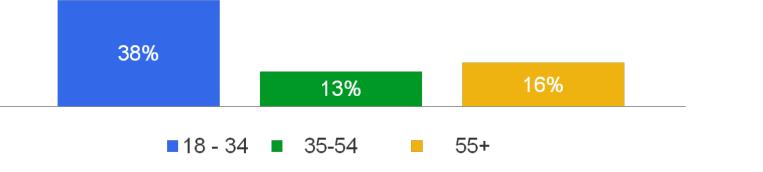
Only 2% of non-video researchers did



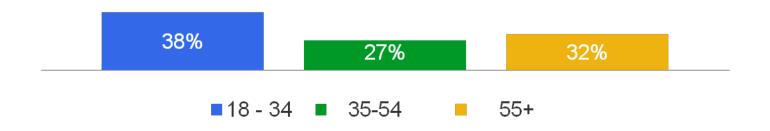
Source: Compete survey: SPEND1. Not including your most recent purchase, how many times in the past 6 months have you purchased apparel? Please select one answer only. Cut by Video vs Non Video Users

Millennials rely on video to fuel their decisions more than other demos

18 – 34 YO are over 2x more likely to rely on video to decide which company to purchase from...



18 – 34 YO are more likely to visit a store that sells the apparel item after viewing an apparel video...



Source: Compete VI6. Why did you use videos as a source of information while shopping for apparel Please select all that apply. n=150. VI7. As a result of watching videos about apparel online, which of the following actions, if any, did you perform? Please select all that apply. n=150.

Key Takeaways:

- **Videos drive consumers to shop in store and online:** Leverage video to drive in store and online sales
- 2 Video tops traditional media in encouraging apparel shoppers to purchase: Incorporate more video into your mix to influence shoppers in their path to purchase
- **3** Video researchers purchase more and spend more: Use video to reach valuable shoppers
- 4 Video is key for younger shoppers: Millennials are avid online video viewers and use video to determine purchase behavior